

UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF MISSOURI

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	Case No.: 4:13CV00884 JAR
	)	
JOSEPH L. BURNS, et al.	)	
	)	
Defendant.	)	

**SEPARATE ANSWER OF DEFENDANTS JOSEPH THOMAS AND INTERNATIONAL  
TAX SERVICE, INC. TO PLAINTIFF'S FIRST AMENDED COMPLAINT FOR  
PERMANENT INJUNCTION AND OTHER RELIEF**

COME NOW Defendants Joseph Thomas and International Tax Service, Inc. (collectively referred to herein as "Defendants"), and for there Answer to Plaintiffs' First Amended Complaint for Permanent Injunction and other relief, states as follows:

**Authorization**

1. These Defendants deny the allegations contained in paragraph 1 of Plaintiff's First Amended Complaint.

2. These Defendants have insufficient information to form a belief as to the truthfulness of the allegations contained in paragraph 2 and for the time being, deny the same.

**Jurisdiction and Venue**

3. These Defendants admit the allegations contained in paragraph 3 of Plaintiff's First Amended Complaint.

4. These Defendants admit the allegations contained in paragraph 4 of Plaintiff's First Amended Complaint.

**Defendants**

5. These Defendants deny the allegations contained in paragraph 5 of Plaintiff's First Amended Complaint.

6. These Defendants deny the allegations contained in paragraph 6 of Plaintiff's First Amended Complaint.

7. These Defendants deny the allegations contained in paragraph 7 of Plaintiff's First Amended Complaint.

8. These Defendants admit the allegations contained in paragraph 8 of Plaintiff's First Amended Complaint.

9. These Defendants deny the allegations contained in paragraph 9 of Plaintiff's First Amended Complaint.

10. These Defendants admit that in 2012 Defendant Joseph Thomas opened his own tax preparation business called International Tax Service, Inc., a Missouri corporation and deny the remaining allegations in paragraph 10 of Plaintiff's First Amended Complaint.

11. These Defendants admit the allegations contained in paragraph 11 of Plaintiff's First Amended Complaint.

12. These Defendants deny the allegations contained in paragraph 12 of Plaintiff's First Amended Complaint.

#### **Defendants' Fraudulent Return Preparation Activities**

13. These Defendants deny the allegations contained in paragraph 13 of Plaintiff's First Amended Complaint.

14. These Defendants deny the allegations contained in paragraph 14 of Plaintiff's First Amended Complaint.

15. These Defendants deny the allegations contained in paragraph 15 of Plaintiff's First Amended Complaint.

16. These Defendants deny the allegations contained in paragraph 16 of Plaintiff's First Amended Complaint.

17. These Defendants deny the allegations contained in paragraph 17 of Plaintiff's First Amended Complaint.

18. These Defendants deny the allegations contained in paragraph 18 of Plaintiff's First Amended Complaint.

19. These Defendants deny the allegations contained in paragraph 19 of Plaintiff's First Amended Complaint.

20. These Defendants deny the allegations contained in paragraph 20 of Plaintiff's First Amended Complaint.

21. These Defendants deny the allegations contained in paragraph 21 of Plaintiff's First Amended Complaint.

22. These Defendants deny the allegations contained in paragraph 22 of Plaintiff's First Amended Complaint.

23. These Defendants deny the allegations contained in paragraph 23 of Plaintiff's First Amended Complaint.

24. These Defendants deny the allegations contained in paragraph 24 of Plaintiff's First Amended Complaint.

25. These Defendants deny the allegations contained in paragraph 25 of Plaintiff's First Amended Complaint.

26. These Defendants deny the allegations contained in paragraph 26 of Plaintiff's First Amended Complaint.

**Examples of Joseph Burns Preparing Fraudulent Returns**

*Fabricating Deductions for Charitable Contributions,*

*Unreimbursed Employee Business Expenses and Other Expenses*

27. Defendants Joseph Thomas and International Tax Service, Inc. make no answers to paragraphs 27 through 32 as said paragraphs are not directed to these defendants.

28. Defendants Joseph Thomas and International Tax Service, Inc. make no answers to paragraphs 27 through 32 as said paragraphs are not directed to these defendants.

29. Defendants Joseph Thomas and International Tax Service, Inc. make no answers to paragraphs 27 through 32 as said paragraphs are not directed to these defendants.

30. Defendants Joseph Thomas and International Tax Service, Inc. make no answers to paragraphs 27 through 32 as said paragraphs are not directed to these defendants.

*Fabricated Schedule C Income and Expenses*

31. Defendants Joseph Thomas and International Tax Service, Inc. make no answers to paragraphs 27 through 32 as said paragraphs are not directed to these defendants.

32. Defendants Joseph Thomas and International Tax Service, Inc. make no answers to paragraphs 27 through 32 as said paragraphs are not directed to these defendants.

**Examples of Joseph Thomas Preparing Fraudulent Returns**

*Fabricating Deductions for Child Care Expenses, Charitable Contributions and Unreimbursed*

*Employee Business Expenses*

33. These Defendants deny the allegations contained in paragraph 33 of Plaintiff's First Amended Complaint.

34. These Defendants deny the allegations contained in paragraph 34 of Plaintiff's First Amended Complaint.

35. These Defendants deny the allegations contained in paragraph 35 of Plaintiff's First Amended Complaint.

36. These Defendants deny the allegations contained in paragraph 36 of Plaintiff's First Amended Complaint.

37. These Defendants deny the allegations contained in paragraph 37 of Plaintiff's First Amended Complaint.

**Filing False or Failing to File Personal Tax Returns**

38. These Defendants deny the allegations contained in paragraph 38 of Plaintiff's First Amended Complaint.

39. Defendants Joseph Thomas and International Tax Service, Inc. make no answer to paragraph 39 as said paragraph is not directed to these defendants.

40. Defendants Joseph Thomas and International Tax Service, Inc. make no answer to paragraph 40 as said paragraph is not directed to these defendants.

41. These Defendants deny the allegations contained in paragraph 41 of Plaintiff's First Amended Complaint.

42. These Defendants deny the allegations contained in paragraph 42 of Plaintiff's First Amended Complaint.

43. These Defendants deny the allegations contained in paragraph 43 of Plaintiff's First Amended Complaint.

**Harm Caused by Defendant**

44. These Defendants deny the allegations contained in paragraph 44 of Plaintiff's First Amended Complaint.

45. These Defendants deny the allegations contained in paragraph 45 of Plaintiff's First Amended Complaint.

46. These Defendants deny the allegations contained in paragraph 46 of Plaintiff's First Amended Complaint.

47. These Defendants deny the allegations contained in paragraph 47 of Plaintiff's First Amended Complaint.

48. These Defendants deny the allegations contained in paragraph 48 of Plaintiff's First Amended Complaint.

49. These Defendants deny the allegations contained in paragraph 49 of Plaintiff's First Amended Complaint.

50. These Defendants deny the allegations contained in paragraph 50 of Plaintiff's First Amended Complaint.

**Count I – Injunction under 26 U.S.C. § 7407**

51. These Defendants incorporate their answers to paragraphs 1 through 50 as their answer to paragraph 51 of Plaintiff's First Amended Complaint.

52. These Defendants deny the allegations contained in paragraph 52 of Plaintiff's First Amended Complaint.

53. These Defendants deny the allegations contained in paragraph 53 of Plaintiff's First Amended Complaint.

*Defendant I.R.C. § 6694 Penalty Conduct*

54. These Defendants deny the allegations contained in paragraph 54 of Plaintiff's First Amended Complaint.

55. These Defendants deny the allegations contained in paragraph 55 of Plaintiff's First Amended Complaint.

56. These Defendants deny the allegations contained in paragraph 56 of Plaintiff's First Amended Complaint.

57. These Defendants deny the allegations contained in paragraph 57 of Plaintiff's First Amended Complaint.

*Defendants' I.R.C. § 6695 Penalty Conduct*

58. These Defendants deny the allegations contained in paragraph 58 of Plaintiff's First Amended Complaint.

59. These Defendants deny the allegations contained in paragraph 59 of Plaintiff's First Amended Complaint.

60. These Defendants deny the allegations contained in paragraph 60 of Plaintiff's First Amended Complaint.

61. These Defendants deny the allegations contained in paragraph 61 of Plaintiff's First Amended Complaint.

62. These Defendants deny the allegations contained in paragraph 62 of Plaintiff's First Amended Complaint.

63. These Defendants deny the allegations contained in paragraph 63 of Plaintiff's First Amended Complaint.

**Count II – Injunction under 26 U.S.C. § 7408**

64. These Defendants incorporate their answers to paragraphs 1 through 63 as their answer to paragraph 64 of Plaintiff's First Amended Complaint.

65. These Defendants deny the allegations contained in paragraph 65 of Plaintiff's First Amended Complaint.

66. These Defendants deny the allegations contained in paragraph 66 of Plaintiff's First Amended Complaint.

67. These Defendants deny the allegations contained in paragraph 67 of Plaintiff's First Amended Complaint.

68. These Defendants deny the allegations contained in paragraph 68 of Plaintiff's First Amended Complaint.

**Count III – Injunction under 26 U.S.C. § 7402**

69. These Defendants incorporate by reference their answers to paragraph 1 through 68 as their answer to paragraph 69 of Plaintiff's First Amended Complaint.

70. These Defendants deny the allegations contained in paragraph 70 of Plaintiff's First Amended Complaint.

71. These Defendants deny the allegations contained in paragraph 71 of Plaintiff's First Amended Complaint.

72. These Defendants deny the allegations contained in paragraph 72 of Plaintiff's First Amended Complaint.

73. These Defendants deny the allegations contained in paragraph 73 of Plaintiff's First Amended Complaint.

74. These Defendants deny the allegations contained in paragraph 74 of Plaintiff's First Amended Complaint.



75. These Defendants deny the allegations contained in paragraph 75 of Plaintiff's First Amended Complaint.

For further Answer Defendants state that Plaintiff is not entitled to any relief against them, particularly to those items set out in paragraphs A through K.

WHEREFORE, having fully Answered, these Defendants pray to be hence dismissed with there costs.

/s/Burton H. Shostak

Burton H. Shostak, MO#17443

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Attorney for Defendants

Joseph Thomas and International Tax Service, Inc.

**CERTIFICATE OF SERVICE**

I hereby certify that on this 2nd day of October, 2013, the foregoing was filed electronically with the Clerk of the Court to be served by operation of the Court's electronic filing system upon the following:

Mark C. Milton

U.S. Department of Justice

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/s/Burton H. Shostak